
OLR Bill Analysis

sHB 5510

AN ACT PROVIDING A LIMITED PROPERTY TAX EXEMPTION FOR HOMES UNDER CONSTRUCTION.

SUMMARY:

This bill (1) exempts partially completed one-to-four family residential property from property taxes for up to one year during its construction and (2) makes such newly constructed residential property subject to taxes as of the date its certificate of occupancy (CO) is issued.

Under current law, partially completed structures are subject to property taxes during their construction, based on their assessed value at the start of the assessment year (October 1). New construction completed after October 1 is subject to taxes on the earlier of the date (1) the CO is issued or (2) it is first used for its intended purpose, prorated for the assessment year in which it is completed.

The bill makes partially or newly constructed one-to-four family residential real property subject to property taxes on the earlier of (1) one year after its building permit was issued or (2) the date its CO is issued. It requires assessors to prorate the property taxes for the assessment year in which the property becomes subject to taxes, using the same procedure for prorating taxes under existing law.

EFFECTIVE DATE: October 1, 2014, and applicable to assessment years starting on or after that date.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/21/2014)